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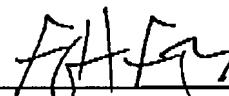
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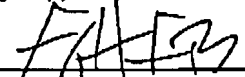
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Title of Document Transmitted:	TRANSMITTALS AND BRIEF OF APPELLANTS
Applicant:	Paul H. Phibbs, Jr.
Serial No.:	09/943,059
Filed:	August 30, 2001
Group Art Unit:	3627
Title:	ALLOCATED BALANCES IN A NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM
Our Ref. No.:	9512

Please charge all fees to Deposit Account No. 14-0225 of NCR Corporation, the assignee of the present application.

By: 
Name: George H. Gates
Reg. No.: 33,500

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G&C 30145.405-US-U1

Due Date: June 30, 2007

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Applicant:	Paul H. Phibbs, Jr.	Examiner:	Andrew J. Rudy
Serial No.:	09/943,059	Group Art Unit:	3627
Filed:	August 30, 2001	Docket:	9512
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CERTIFICATE OF MAILING OR TRANSMISSION UNDER 37 CFR 1.8

I hereby certify that this correspondence is being filed via facsimile transmission to the U.S. Patent and Trademark Office on June 29, 2007.By: GHG
Name: George H. GatesCommissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

We are transmitting herewith the attached:

- ☒ Transmittal sheet, in duplicate, containing a Certificate of Mailing or Transmission under 37 CFR 1.8.
☒ Brief of Appellant(s).

Please consider this a **PETITION FOR EXTENSION OF TIME** for a sufficient number of months to enter these papers, if appropriate.

Please charge all fees to Deposit Account No. 14-0225 of NCR Corporation (the assignee of the present application). A duplicate of this paper is enclosed.

Customer Number 26890
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By: GHG
Name: George H. Gates
Reg. No.: 33,500
GHG/cf

Due Date: June 30, 2007

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

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JUN 29 2007

In re Application of:)	
)	
Inventor: Paul H. Phibbs, Jr.)	Examiner: Andrew J. Rudy
)	
Serial #: 09/943,059)	Group Art Unit: 3627
)	
Filed: August 30, 2001)	Appeal No.: _____
)	
Title: ALLOCATED BALANCES IN A NET)	
INTEREST REVENUE)	
IMPLEMENTATION FOR FINANCIAL)	
PROCESSING IN A RELATIONAL)	
<u>DATABASE MANAGEMENT SYSTEM</u>)	

BRIEF OF APPELLANT**MAIL STOP APPEAL BRIEF - PATENTS**

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

In accordance with 37 CFR §41.37, Appellant's attorney hereby submits the Brief of Appellant on appeal from the final rejection in the above-identified application as set forth in the Office Action dated February 1, 2007.

No fee is required for filing this Brief of Appellant, since this is a request for reinstatement of the previous appeal. However, the Office is authorized to charge any necessary fees or credit any overpayments to Deposit Account No. 14-0225 of NCR Corporation, the assignee of the present invention.

I. REAL PARTY IN INTEREST

The real party in interest is NCR Corporation, the assignee of the present application.

II. RELATED APPEALS AND INTERFERENCES

There are or have been related appeals in the following co-pending and commonly-assigned patent applications:

Application Serial No. 09/608,681, filed on June 29, 2000, by George R. Hood, entitled OTHER REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9015 (30145.391US01);

Application Serial No. 09/608,682, filed on June 29, 2000, by George R. Hood, entitled RISK PROVISION IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9011 (30145.392US01);

Application Serial No. 09/610,646, filed on June 29, 2000, by George R. Hood et al., entitled BASIC AND INTERMEDIATE NET INTEREST REVENUE IMPLEMENTATIONS FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 8980 (30145.397US01);

Application Serial No. 09/608,355, filed on June 29, 2000, by George R. Hood et al., entitled ADVANCED AND BREAKTHROUGH NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9006 (30145.401US01);

Application Serial No. 09/943,060, filed on August 30, 2001, by Paul H. Phibbs, Jr., entitled CAPTIAL ALLOCATION IN A NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9391 (30145.404USU1);

Application Serial No. 09/845,461, filed on April 30, 2001, by George Robert Hood, entitled TAX ADJUSTMENT FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9522 (30145.415US01);

Application Serial No. 10/016,779, filed on December 10, 2001, by Brian J. Wasserman, entitled PARALLEL SELECTION PROCESSING FOR FINANCIAL PROCESSING IN A

RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9620 (30145.416US01);

Application Serial No. 10/013,422, filed on December 10, 2001, by Brian J. Wasserman, entitled ACCOUNT SELECTION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9621 (30145.417US01);

Application Serial No. 10/013,434, filed on December 10, 2001, by Brian J. Wasserman, entitled DRIVER AMOUNT AND COUNT SELECTION PROCESSING FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9675 (30145.418US01);

Application Serial No. 10/016,452, filed on December 10, 2001, by Brian J. Wasserman et al., entitled DYNAMIC EVENT SELECTION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9618 (30145.419US01);

Application Serial No. 09/845,851, filed on April 30, 2001, by George Robert Hood, entitled SHAREHOLDER VALUE ADD FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9511 (30145.421US01); and

Application Serial No. 09/845,924, filed on April 30, 2001, by George Robert Hood, entitled AMORTIZATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9435 (30145.422US01).

III. STATUS OF CLAIMS

Claims 1-30 are pending in the application.

Claims 1-30 were rejected under 35 U.S.C. §103(a) as being unpatentable in view of "Raising Relationships II," John R. Johnson, June 1999.

Claims 1-30 are being appealed.

IV. STATUS OF AMENDMENTS

No amendments have been made subsequent to the previous Office Action.

V. SUMMARY OF THE INVENTION

Appellant's independent claims 1, 11 and 21 are generally directed to an invention that performs financial processing in a computer.

Independent claim 1 recites a method of performing financial processing in a computer (100). (See, page 3, line 13 through page 4, line 10; page 7, lines 5-15 referring to 102, 104 and 106 in FIG. 1; and page 25, lines 13-22 referring to 314 in FIG. 3.) The method includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, line 13 through page 4, line 10; page 5, line 1 through page 6, line 3; page 8, line 10 through page 9, line 26 referring to 202, 204 and 206 in FIG. 2; and page 25, lines 13-22 referring to 314 in FIG. 3.) The method also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$\begin{aligned}\text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \\ &- \text{Direct Expense (DE)} \\ &- \text{Indirect Expense (IE)} \\ &- \text{Risk Provision (RP)}.\end{aligned}$$

The Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned}\text{NIR} &= \text{Interest Revenue} \\ &- \text{Cost of Funds} \\ &+ \text{Value of Funds} \\ &- \text{Interest Expense} \\ &+ \text{Earnings on Allocated Equity}.\end{aligned}$$

(See, page 3, line 13 through page 4, line 10; page 5, line 1 through page 6, line 3; page 8, line 10 through page 11, line 25 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; page 11, line 27 through page 12, line 12 referring to 200 in FIG. 2; page 13, lines 1-18; page 25, lines 13-22 referring to 314 in FIG. 3; and page 26, line 3 through page 27, line 28 referring to 400, 402, 404 and 406 in FIG. 4.) The Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR). (See, page 3, line 3 through page 4, line 10; page 13, line 20 through page 15, line 4; and page 27, lines 26-28 referring to 406 in FIG. 4.)

Independent claim 11 is directed to a system for financial processing, wherein the system includes a computer (100) and logic performed by the computer (100). (See, page 3, line 13 through page 4, line 10; page 7, lines 5-15 referring to 102, 104 and 106 in FIG. 1; and page 25, lines 13-22 referring to 314 in FIG. 3.) The logic includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, line 13 through page 4, line 10; page 5, line 1 through page 6, line 3; page 8, line 10 through page 9, line 26 referring to 202, 204 and 206 in FIG. 2; and page 25, lines 13-22 referring to 314 in FIG. 3.) The logic also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$\begin{aligned}\text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \\ &- \text{Direct Expense (DE)} \\ &- \text{Indirect Expense (IE)} \\ &- \text{Risk Provision (RP)}.\end{aligned}$$

The Net Interest Revenue (NIR) is calculated as:

$$\text{NIR} = \text{Interest Revenue}$$

- Cost of Funds
- + Value of Funds
- Interest Expense
- + Earnings on Allocated Equity.

(See, page 3, line 13 through page 4, line 10; page 5, line 1 through page 6, line 3; page 8, line 10 through page 11, line 25 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; page 11, line 27 through page 12, line 12 referring to 200 in FIG. 2; page 13, lines 1-18; page 25, lines 13-22 referring to 314 in FIG. 3; and page 26, line 3 through page 27, line 28 referring to 400, 402, 404 and 406 in FIG. 4.) The Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR). (See, page 3, line 3 through page 4, line 10; page 13, line 20 through page 15, line 4; and page 27, lines 26-28 referring to 406 in FIG. 4.)

Independent claim 21 is directed to an article of manufacture embodying logic for performing financial processing in a computer (100). (See, page 3, line 13 through page 4, line 10; page 7, lines 5-15 referring to 102, 104 and 106 in FIG. 1; and page 25, lines 13-22 referring to 314 in FIG. 3.) The logic includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, line 13 through page 4, line 10; page 5, line 1 through page 6, line 3; page 8, line 10 through page 9, line 26 referring to 202, 204 and 206 in FIG. 2; and page 25, lines 13-22 referring to 314 in FIG. 3.) The logic also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$\begin{array}{rcl} \text{Profit} & = & \text{Net Interest Revenue (NIR)} \\ & + & \text{Other Revenue (OR)} \\ & - & \text{Direct Expense (DE)} \end{array}$$

- Indirect Expense (IE)
- Risk Provision (RP).

The Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned}\text{NIR} &= \text{Interest Revenue} \\ &- \text{Cost of Funds} \\ &+ \text{Value of Funds} \\ &- \text{Interest Expense} \\ &+ \text{Earnings on Allocated Equity.}\end{aligned}$$

(See, page 3, line 13 through page 4, line 10; page 5, line 1 through page 6, line 3; page 8, line 10 through page 11, line 25 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; page 11, line 27 through page 12, line 12 referring to 200 in FIG. 2; page 13, lines 1-18; page 25, lines 13-22 referring to 314 in FIG. 3; and page 26, line 3 through page 27, line 28 referring to 400, 402, 404 and 406 in FIG. 4.) The Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR). (See, page 3, line 3 through page 4, line 10; page 13, line 20 through page 15, line 4; and page 27, lines 26-28 referring to 406 in FIG. 4.)

VI. GROUND OF REJECTION TO BE REVIEWED ON APPEAL

1. Whether claims 1-30 are obvious under 35 U.S.C. §103(a) in view of "Raising Relationships II," John R. Johnson, June 1999.

VII. ARGUMENTS

A. The Office Action Rejections

In paragraph (3) of the Office Action, claims 1-30 were rejected under 35 U.S.C. §103(a) as being unpatentable over "Raising Relationships II," John R. Johnson, June 1999.

Appellant's attorney respectfully traverses these rejections.

B. Appellant's Independent Claims

As noted above, Appellant's independent claims 1, 11 and 21 are generally directed to an invention that performs financial processing in a computer. Claim 1 is representative and is directed to a method of performing financial processing in a computer. The method comprises:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

$$\begin{aligned}\text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \\ &- \text{Direct Expense (DE)} \\ &- \text{Indirect Expense (IE)} \\ &- \text{Risk Provision (RP)};\end{aligned}$$

(c) wherein the Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned}\text{NIR} &= \text{Interest Revenue} \\ &- \text{Cost of Funds} \\ &+ \text{Value of Funds} \\ &- \text{Interest Expense} \\ &+ \text{Earnings on Allocated Equity};\end{aligned}$$

(d) wherein the Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR).

C. The Johnson Reference

The Johnson reference is an article entitled "Raising Relationships II," by John R. Johnson, June 1999. The Johnson reference describes predictive modeling, which is an approach to building relationships with customers of banks.

D. Arguments Directed To The First Grounds for Rejection: Whether Claims 1-30 Are Obvious Under 35 U.S.C. §103(a) In View of Johnson.
1. Claims 1, 11 and 21

Appellant's attorney respectfully submits that Appellant's claimed invention is patentable over Johnson in combination with Official Notice. Specifically, Appellant's attorney asserts that the combination of Johnson and Official Notice does not teach or suggest the specific combination of elements recited in Appellant's claims.

Nonetheless, the Office Action cites to the following locations in Johnson:

Five-part profitability

Profitability in banks is comprised of many parts. In general, the five essential ones are: net interest revenue, other revenue, direct expenses, indirect expenses and risk provision.

Many of the components, such as balance, fees, service charges, transactions and account life-span can be estimated. The results of profitability modeling are not binary, as with the response or ownership areas discussed earlier. Instead, it yields a set of values that can be used in profitability calculations.

Other revenue and expense components, such as expense allocations and risk, can be estimated through business modeling. The product of both kinds of modeling is estimated profit for each account (interest checking, non-interest checking, savings, etc.)

Once the probability-of-response and estimated profitability are available, they can be combined to form additional marketing intelligence. The product of the magnitude of gain or loss by the probability of that gain or loss actually occurring is the potential profit. This potential-profit figure incorporates profitability and response and increases the efficiency of targeting.

Because estimated profitability is available for each product a customer may purchase, it helps determine how many marketing dollars can be reasonably allocated to selling a specific product or service to a specific household. Combining probability-of-response and profitability helps eliminate the sale of

unprofitable accounts. On the other hand, it helps eliminate the tendency to market those products that are profitable, but generally not needed.

Once the bank has a system for selecting the product that the customer is most likely to purchase at the highest profit level possible, the institution must get the specific products and incentives to the various touch-points.

Assuming the bank has done an effective job of positioning itself in the marketplace and with its customers, has established a way to identify a time when customers should be contacted and has established a methodology to predict customer needs - what's next?

Appellant's attorney respectfully submits that the above portions of Johnson do not teach or suggest all of the elements of Appellant's independent claims 1, 11 and 21.

For example, the above portions of Johnson do not teach or suggest the claimed elements of accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status, and performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

$$\begin{aligned}\text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \\ &- \text{Direct Expense (DE)} \\ &- \text{Indirect Expense (IE)} \\ &- \text{Risk Provision (RP)}.\end{aligned}$$

In another example, the above portions of Johnson do not teach or suggest profitability calculations wherein the Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned}\text{NIR} &= \text{Interest Revenue} \\ &- \text{Cost of Funds} \\ &+ \text{Value of Funds} \\ &- \text{Interest Expense} \\ &+ \text{Earnings on Allocated Equity}.\end{aligned}$$

In yet another example, the above portions of Johnson do not teach or suggest profitability calculations wherein the Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR).

Instead, the "net interest revenue" referred to in Johnson merely comprises a general recitation of the phrase in the context of five-part profitability. However, the net interest revenue of Johnson does not include the Appellant's recited claim elements of the Net Interest Revenue (NIR) being calculated as:

$$\begin{array}{rcl} \text{NIR} & = & \text{Interest Revenue} \\ & - & \text{Cost of Funds} \\ & + & \text{Value of Funds} \\ & - & \text{Interest Expense} \\ & + & \text{Earnings on Allocated Equity;} \end{array}$$

wherein the Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue.

Indeed, Johnson is merely a description of the general accounting concepts and principles of the five-part profitability, but does not describe Appellant's specific account, event and organization attributes, Appellant's profit factors and rules, or Appellant's specific Net Interest Revenue elements used in Appellant's profitability calculations.

With regard to the Official Notice, the Office Action errs when it asserts that the Net Interest Revenue and Cost of Funds must be considered common knowledge in the financial processing art and that the dependent claim limitations are deemed to have been common knowledge in the art at least one year prior to Appellant's filing date. As noted at M.P.E.P. §2144.03, there must be some form of evidence in the record to support an assertion of common knowledge, but no such evidence exists in this instance. It appears that the Office Action relies upon Johnson as this evidence, when it asserts that to have provided such elements for Johnson would have been obvious to one of skill in the art. However, this assertion is erroneous. As noted above, Johnson does not teach or suggest all the elements recited in Applicant's claims.

Consequently, the Official Notice comprises mere conclusions by the Office Action and cannot be supported by actual evidence.

Thus, the combination of Johnson and Official Notice does not teach or suggest the specific combination of elements recited in Appellant's claims. Moreover, the Examiner's assertions that the elements of Appellant's invention would have been obvious to one of ordinary skill in the art is unsupported by the evidence. Instead, this assertion merely reflects the improper application of hindsight by the Examiner.

Appellant's claimed invention provides operational advantages over the prior art. Appellant's invention describes a more sophisticated model for implementing profitability calculations in a computer system, as well as a different, more sophisticated set of relationships between the elements of the model. Johnson fails to teach or suggest the specific model, all of the elements of the model, or the relationships between the various elements.

Thus, Appellant's attorney submits that independent claims 1, 11 and 21 are allowable over the combination of Johnson and Official Notice. Further, dependent claims 2-10, 12-20 and 22-30 are submitted to be allowable over the combination of Johnson and Official Notice in the same manner, because they are dependent on independent claims 1, 11 and 21, respectively, and because they contain all the limitations of the independent claims. In addition, dependent claims 2-10, 12-20 and 22-30 recite additional novel elements not shown by the combination of Johnson and Official Notice.

2. Claims 2, 12 and 22

Claims 2, 12 and 22 recite that the Allocated Balances are selected from a group comprising Float, Fixed Assets, Payables and Receivables balances. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

3. Claims 3, 13 and 23

Claims 3, 13 and 23 recite that the accounts that receive the Allocated Balances are selected based upon the account attributes. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

4. Claims 4, 14 and 24

Claims 4, 14 and 24 recite that the Allocated Balances are apportioned among the accounts using a method selected from a group comprising:

- (1) an Account Counts method that provides allocated balance amounts based on a percentage of total accounts each account represents;
- (2) an Account Balance Amount method that provides allocated balance amounts based on a percentage of total account balance each account represents;
- (3) an Event Count method that provides allocated balance amounts based on a percentage of total events each account represents; and
- (4) an Event Balance Amount method that provides allocated balance amounts based on a percentage of total event balances each account represents.

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

5. Claims 5, 15 and 25

Claims 5, 15 and 25 recite performing summations over the possible balance variables for the account according to the following:

$$\begin{aligned} \text{Int Inc}(a) &= \sum AB_{(asset,t)}(a) * \text{eff rate}_{(asset,t)}(a), \\ \text{COF}(a) &= \sum AB_{(asset,t)}(a) * R_{(asset,t)}(pt(a)), \end{aligned}$$

$$\begin{aligned}\text{Int Exp}(a) &= \sum \text{AB}_{(\text{liability},t)}(a) * \text{eff rate}_{(\text{liability},t)}(a), \text{ and} \\ \text{VOF}(a) &= \sum \text{AB}_{(\text{liability},t)}(a) * R_{(\text{liability},t)}(\text{pt}(a)),\end{aligned}$$

wherein:

$$\begin{aligned}\text{AB}_{(c,t)}(a) &= \text{Average Balances of account } a, \text{ wherein } c \text{ is a balance class} \\ &\quad \text{and } t \text{ is a balance tier,} \\ \text{eff rate}_{(c,t)}(a) &= \text{Effective interest rate for the account } a, \\ \text{pt}(a) &= \text{Product type for account } a, \\ R_{(c,t)}(\text{pt}(a)) &= \text{Treatment rate for accounts of the product type given the} \\ &\quad \text{balance class and tier,} \\ \text{Int Inc}(a) &= \text{Interest Income of account } a, \\ \text{COF}(a) &= \text{Cost of Funds for account } a, \\ \text{Int Exp}(a) &= \text{Interest Expense for account } a, \text{ and} \\ \text{VOF}(a) &= \text{Value of Funds for account } a.\end{aligned}$$

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

6. Claims 6, 16 and 26

Claims 6, 16 and 26 recite that an Intermediate tier calculation of the Allocated Balances allows for multiple balances on a single account, as well as the determination of treatment rate based on product type and balance type. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

7. Claims 7, 17 and 27

Claims 7, 17 and 27 recite that an Advanced tier calculation of the Allocated Balances allows for specification of a product-level prepayment rate for the accounts. The Office Action

rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

8. Claims 8, 18 and 28

Claims 8, 18 and 28 recite that an Advanced tier calculation of the Allocated Balances allows loan spread, deposit spread and asset/liability spread to be separated and assigned to the accounts that generate the spreads. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

9. Claims 9, 19 and 29

Claims 9, 19 and 29 recite that a Breakthrough tier calculation of the Allocated Balances uses a transfer price for every account based on matched maturity funding and predicted account behaviour. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

10. Claims 10, 20 and 30

Claims 10, 20 and 30 recite that a Breakthrough tier calculation of the Allocated Balances allows behavioral features, product and account features to be used to identify a transfer rate. The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

VIII. CONCLUSION

In light of the above arguments, Appellant's attorney respectfully submits that the cited references do not anticipate nor render obvious the claimed invention. More specifically, Appellant's claims recite novel physical features which patentably distinguish over any and all references under 35 U.S.C. §§ 102 and 103.

As a result, a decision by the Board of Patent Appeals and Interferences reversing the Examiner and directing allowance of the pending claims in the subject application is respectfully solicited.

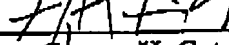
Respectfully submitted,

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CLAIMS APPENDIX

1. A method of performing financial processing in a computer, comprising:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

$$\begin{aligned}\text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \\ &- \text{Direct Expense (DE)} \\ &- \text{Indirect Expense (IE)} \\ &- \text{Risk Provision (RP)}\end{aligned}$$

(c) wherein the Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned}\text{NIR} &= \text{Interest Revenue} \\ &- \text{Cost of Funds} \\ &+ \text{Value of Funds} \\ &- \text{Interest Expense} \\ &+ \text{Earnings on Allocated Equity};\end{aligned}$$

(d) wherein the Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR).

2. The method of claim 1, wherein the Allocated Balances are selected from a group comprising Float, Fixed Assets, Payables and Receivables balances.

3. The method of claim 1, wherein the accounts that receive the Allocated Balances are selected based upon the account attributes.

4. The method of claim 1, wherein the Allocated Balances are apportioned among the accounts using a method selected from a group comprising:

(1) an Account Counts method that provides allocated balance amounts based on a percentage of total accounts each account represents;

(2) an Account Balance Amount method that provides allocated balance amounts based on a percentage of total account balance each account represents;

(3) an Event Count method that provides allocated balance amounts based on a percentage of total events each account represents; and

(4) an Event Balance Amount method that provides allocated balance amounts based on a percentage of total event balances each account represents.

5. The method of claim 1, further comprising performing summations over the possible balance variables for the account according to the following:

$$\text{Int Inc}(a) = \sum \text{AB}_{(\text{asset},t)}(a) * \text{eff rate}_{(\text{asset},t)}(a),$$

$$\text{COF}(a) = \sum \text{AB}_{(\text{asset},t)}(a) * R_{(\text{asset},t)}(\text{pt}(a)),$$

$$\text{Int Exp}(a) = \sum \text{AB}_{(\text{liability},t)}(a) * \text{eff rate}_{(\text{liability},t)}(a), \text{ and}$$

$$\text{VOF}(a) = \sum \text{AB}_{(\text{liability},t)}(a) * R_{(\text{liability},t)}(\text{pt}(a)),$$

wherein:

$\text{AB}_{(c,t)}(a)$ = Average Balances of account a, wherein c is a balance class and t is a balance tier,

$\text{eff rate}_{(c,t)}(a)$ = Effective interest rate for the account a,

$\text{pt}(a)$ = Product type for account a,

$R_{(c,t)}(\text{pt}(a))$ = Treatment rate for accounts of the product type given the balance class and tier,

$\text{Int Inc}(a)$ = Interest Income of account a,

$\text{COF}(a)$ = Cost of Funds for account a,

$\text{Int Exp}(a)$ = Interest Expense for account a, and

$\text{VOF}(a)$ = Value of Funds for account a.

6. The method of claim 1, wherein an Intermediate tier calculation of the Allocated Balances allows for multiple balances on a single account, as well as the determination of treatment rate based on product type and balance type.

7. The method of claim 1, wherein an Advanced tier calculation of the Allocated Balances allows for specification of a product-level prepayment rate for the accounts.

8. The method of claim 1, wherein an Advanced tier calculation of the Allocated Balances allows loan spread, deposit spread and asset/liability spread to be separated and assigned to the accounts that generate the spreads.

9. The method of claim 1, wherein a Breakthrough tier calculation of the Allocated Balances uses a transfer price for every account based on matched maturity funding and predicted account behaviour.

10. The method of claim 1, wherein a Breakthrough tier calculation of the Allocated Balances allows behavioral features, product and account features to be used to identify a transfer rate.

11. A system for financial processing, comprising:
a computer;

logic, performed by the computer, for:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

$$\begin{aligned} \text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \end{aligned}$$

- Direct Expense (DE)
- Indirect Expense (IE)
- Risk Provision (RP)

(c) wherein the Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned}\text{NIR} &= \text{Interest Revenue} \\ &- \text{Cost of Funds} \\ &+ \text{Value of Funds} \\ &- \text{Interest Expense} \\ &+ \text{Earnings on Allocated Equity};\end{aligned}$$

(d) wherein the Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR).

12. The system of claim 11, wherein the Allocated Balances are selected from a group comprising Float, Fixed Assets, Payables and Receivables balances.

13. The system of claim 11, wherein the accounts that receive the Allocated Balances are selected based upon the account attributes.

14. The system of claim 11, wherein the Allocated Balances are apportioned among the accounts using a method selected from a group comprising:

(1) an Account Counts method that provides allocated balance amounts based on a percentage of total accounts each account represents;

(2) an Account Balance Amount method that provides allocated balance amounts based on a percentage of total account balance each account represents;

(3) an Event Count method that provides allocated balance amounts based on a percentage of total events each account represents; and

(4) an Event Balance Amount method that provides allocated balance amounts based on a percentage of total event balances each account represents.

15. The system of claim 11, further comprising logic for performing summations over the possible balance variables for the account according to the following:

$$\begin{aligned}\text{Int Inc}(a) &= \sum \text{AB}_{(\text{asset},t)}(a) * \text{eff rate}_{(\text{asset},t)}(a), \\ \text{COF}(a) &= \sum \text{AB}_{(\text{asset},t)}(a) * R_{(\text{asset},t)}(\text{pt}(a)), \\ \text{Int Exp}(a) &= \sum \text{AB}_{(\text{liability},t)}(a) * \text{eff rate}_{(\text{liability},t)}(a), \text{ and} \\ \text{VOF}(a) &= \sum \text{AB}_{(\text{liability},t)}(a) * R_{(\text{liability},t)}(\text{pt}(a)),\end{aligned}$$

wherein:

$$\begin{aligned}\text{AB}_{(c,t)}(a) &= \text{Average Balances of account } a, \text{ wherein } c \text{ is a balance class} \\ &\quad \text{and } t \text{ is a balance tier,} \\ \text{eff rate}_{(c,t)}(a) &= \text{Effective interest rate for the account } a, \\ \text{pt}(a) &= \text{Product type for account } a, \\ R_{(c,t)}(\text{pt}(a)) &= \text{Treatment rate for accounts of the product type given the} \\ &\quad \text{balance class and tier,} \\ \text{Int Inc}(a) &= \text{Interest Income of account } a, \\ \text{COF}(a) &= \text{Cost of Funds for account } a, \\ \text{Int Exp}(a) &= \text{Interest Expense for account } a, \text{ and} \\ \text{VOF}(a) &= \text{Value of Funds for account } a.\end{aligned}$$

16. The system of claim 11, wherein an Intermediate tier calculation of the Allocated Balances allows for multiple balances on a single account, as well as the determination of treatment rate based on product type and balance type.

17. The system of claim 11, wherein an Advanced tier calculation of the Allocated Balances allows for specification of a product-level prepayment rate for the accounts.

18. The system of claim 11, wherein an Advanced tier calculation of the Allocated Balances allows loan spread, deposit spread and asset/liability spread to be separated and assigned to the accounts that generate the spreads.

19. The system of claim 11, wherein a Breakthrough tier calculation of the Allocated Balances uses a transfer price for every account based on matched maturity funding and predicted account behaviour.

20. The system of claim 11, wherein a Breakthrough tier calculation of the Allocated Balances allows behavioral features, product and account features to be used to identify a transfer rate.

21. An article of manufacture embodying logic for performing financial processing in a computer, comprising:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status;

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, as well as one or more profit factors and one or more rules, wherein the profitability calculations include:

$$\begin{aligned}\text{Profit} &= \text{Net Interest Revenue (NIR)} \\ &+ \text{Other Revenue (OR)} \\ &- \text{Direct Expense (DE)} \\ &- \text{Indirect Expense (IE)} \\ &- \text{Risk Provision (RP)}\end{aligned}$$

(c) wherein the Net Interest Revenue (NIR) is calculated as:

$$\begin{aligned}\text{NIR} &= \text{Interest Revenue} \\ &- \text{Cost of Funds} \\ &+ \text{Value of Funds} \\ &- \text{Interest Expense} \\ &+ \text{Earnings on Allocated Equity};\end{aligned}$$

(d) wherein the Cost of Funds includes Allocated Balances that are used to assign balance sheet amounts that are not actual account balances to the accounts for the calculated Net Interest Revenue (NIR).

22. The article of manufacture of claim 21, wherein the Allocated Balances are selected from a group comprising Float, Fixed Assets, Payables and Receivables balances.

23. The article of manufacture of claim 21, wherein the accounts that receive the Allocated Balances are selected based upon the account attributes.

24. The article of manufacture of claim 21, wherein the Allocated Balances are apportioned among the accounts using a method selected from a group comprising:

(1) an Account Counts method that provides allocated balance amounts based on a percentage of total accounts each account represents;

(2) an Account Balance Amount method that provides allocated balance amounts based on a percentage of total account balance each account represents;

(3) an Event Count method that provides allocated balance amounts based on a percentage of total events each account represents; and

(4) an Event Balance Amount method that provides allocated balance amounts based on a percentage of total event balances each account represents.

25. The article of manufacture of claim 21, further comprising performing summations over the possible balance variables for the account according to the following:

$$\text{Int Inc}(a) = \sum AB_{(\text{asset},t)}(a) * \text{eff rate}_{(\text{asset},t)}(a),$$

$$\text{COF}(a) = \sum AB_{(\text{asset},t)}(a) * R_{(\text{asset},t)}(\text{pt}(a)),$$

$$\text{Int Exp}(a) = \sum AB_{(\text{liability},t)}(a) * \text{eff rate}_{(\text{liability},t)}(a), \text{ and}$$

$$\text{VOF}(a) = \sum AB_{(\text{liability},t)}(a) * R_{(\text{liability},t)}(\text{pt}(a)),$$

wherein:

$AB_{(c,t)}(a)$ = Average Balances of account a, wherein c is a balance class and t is a balance tier,

$\text{eff rate}_{(c,t)}(a)$ = Effective interest rate for the account a,

$\text{pt}(a)$ = Product type for account a,

$R_{(c,t)}(\text{pt}(a))$ = Treatment rate for accounts of the product type given the

balance class and tier,

Int Inc(a)	=	Interest Income of account a,
COF (a)	=	Cost of Funds for account a,
Int Exp (a)	=	Interest Expense for account a, and
VOF (a)	=	Value of Funds for account a.

26. The article of manufacture of claim 21, wherein an Intermediate tier calculation of the Allocated Balances allows for multiple balances on a single account, as well as the determination of treatment rate based on product type and balance type.

27. The article of manufacture of claim 21, wherein an Advanced tier calculation of the Allocated Balances allows for specification of a product-level prepayment rate for the accounts.

28. The article of manufacture of claim 21, wherein an Advanced tier calculation of the Allocated Balances allows loan spread, deposit spread and asset/liability spread to be separated and assigned to the accounts that generate the spreads.

29. The article of manufacture of claim 21, wherein a Breakthrough tier calculation of the Allocated Balances uses a transfer price for every account based on matched maturity funding and predicted account behaviour.

30. The article of manufacture of claim 21, wherein a Breakthrough tier calculation of the Allocated Balances allows behavioral features, product and account features to be used to identify a transfer rate.

EVIDENCE APPENDIX

None.

RELATED PROCEEDINGS APPENDIX

None.